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DE RUEHSG #0801 2371536  
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FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC 5387  
INFO RUEHAC/AMEMBASSY ASUNCION 4140  
RUEHBO/AMEMBASSY BOGOTA 2539  
RUEHBU/AMEMBASSY BUENOS AIRES 1654  
RUEHBR/AMEMBASSY BRASILIA 1074  
RUEHCV/AMEMBASSY CARACAS 2228  
RUEHPE/AMEMBASSY LIMA 6360  
RUEHMN/AMEMBASSY MONTEVIDEO 4546  
RUEHQT/AMEMBASSY QUITO 2570  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000801

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)  
SUBJECT: CHILE MEDIA REPORT - AUGUST 25

#### Lead Story

1. Over the weekend Peruvian President Alan Garcia suggested in an interview that Chile and Bolivia had some type of secret agreement to provide the latter with access to the sea. In this context, Bolivian President Evo Morales and Chilean Foreign Minister Mariano Fernandez denied the existence of any such agreement. Fernandez said Chile "does not sign agreements under the table" (Conservative, independent, La Tercera, 8/25).

#### U.S. Sailor Released

2. Yesterday, the Valparaiso Court released American sailor Lester Santiago Galvez, member of the USS Makin Island. The sailor was, however, ordered to leave the country and was banned from returning to Chile for the next three years. The sailor was arrested in a hotel in Valparaiso with a 15 year-old girl last Sunday during a routine police check of alcohol permits. The minor said she had been called by an adult to provide sexual services. The owner of the hotel was charged with facilitating prostitution of minors, which means the investigation will follow its due course (Conservative, influential newspaper-of-record, El Mercurio, 8/25)

3. In his deposition, the U.S. sailor said he was unaware that the woman was underage. As there was no consummation of sexual activity, the judge agreed to the conditional suspension of procedures against Santiago, but ordered his expulsion from the country and banned him from returning for three years (La Tercera, 8/25).

4. The fifteen year-old woman caught with U.S. sailor Lester Santiago in a hotel in Valparaiso says she was recruited by a woman to accommodate "foreign clients." The owner of the hotel where the sailor and the woman were found was charged yesterday with facilitating child prostitution. The hotel is located across another facility where the Investigations Police recently dismantled a child prostitution network. The prosecution is therefore investigating possible ties between that investigation and this new case (Conservative, afternoon La Segunda, 8/24).

#### U.S.-Related News

5. Ford-Chile's Loan Division will leave the country. Its operations will be left to the Forum Financial Services, owned by BBVA bank (Financial daily Diario Financiero, 8/25).

#### U.S.-Colombia Agreement

¶6. Colombian Foreign Minister Jaime Bermudez met yesterday with President Bachelet. Reportedly, Bachelet reiterated that Chile's position at UNASUR with regard to the U.S.-Colombia military agreement will be to respect Colombia's political decisions (Government-owned, La Nacion, 8/25).

¶7. President Bachelet gave Colombian Foreign Minister Bermudez her support with regard to the U.S.-Colombia agreement by issuing a joint statement reiterating the principle of non-intervention in internal affairs (El Mercurio, 8/25).

SIMONS